

I do think we need to separate the whole issue from the question of the individual income tax and what we did in 773 and 775, the question really boils down to proper and appropriate tax policy at the corporate level. And I think that a lot of these other discussions are really somewhat of a smoke screen to the real issue at hand, at least in my mind. And so I guess the real question would be, one...well, let me add this first too. I think that a person could give a mini lecture series on why we shouldn't even have corporate tax, period, at the state or federal level, that it's simply passed on to the consumers and on and on and on. But the real bottom line on corporate tax in today's economy, where we have states competing for corporations and their desire to locate or relocate and to expand or not to expand, really boils down to relativity, the extent to which we are or are not and will be or will not be competitive with who we have to compete with with respect to the corporate tax. So what would be your perceptions from your analysis as to its relative changing in our ranking and our competitiveness, the extent to which the studies and the likes of Grant Thorson and the like would say we have a considerably different or altered corporate economy? In our rankings, I think Grant Thorson had us rated 47, 48, somewhere in that range this last year. The tax studies show us, I think, 47th out of the 50 states in terms of tax burden to corporations. What effect will this change have in any of those kinds of ranking status studies and the like?

SENATOR V. JOHNSON: Very good question, and I'm certainly glad you asked that, Senator Conway, and I would hope that each member would listen to this answer and bring to this answer their open mind and open heart. Every study of Nebraska that's been done with respect to its tax policy and tax climate vis-a-vis the corporation puts this state...lists this state as an oasis, as an oasis of tax health in terms of the business and corporate tax climate, including the Grant Thorson study which listed us 49th, in other words, second from the bottom in terms of negative effect upon the corporate and business world in taxes. We rank 45th in terms of rates of taxes on taxable income by corporations. This little change will probably not affect that ranking because the change is a very modest change. There is one state that ranks below us and then there are several states that have no corporate income tax. It's my opinion that this is one of those changes that we can easily afford to make without in any way adversely affecting our incredibly favorable tax rankings now.